

EXHIBIT 31

<p>Page 1</p> <p>1 SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK 2 -----X CRT INVESTMENTS, LIMITED, and 3 MORTIMER ZUCKERMAN, 4 Plaintiffs, Index No. 5 -against- 601052/09 6 J. EZRA MERKIN, GABRIEL CAPITAL CORPORATION, BDO SEIDMAN, LLP, and 7 BDO TORTUGA /k/a BDO CAYMAN ISLANDS, 8 Defendants. 9 -----X SUPERIOR COURT 10 JUDICIAL DISTRICT OF STAMFORD/NORWALK AT STAMFORD 11 -----X THE CALIBRE FUND, LLC 12 Plaintiff, Docket Number 13 X05-FST-CV-09-5012119-S -against- 14 BDO SEIDMAN, LLP 15 Defendant. -----X 16 Susman Godfrey LLP 17 654 Madison Avenue New York, New York 10065 18 May 3, 2010 19 2:33 p.m. 20 21 DEPOSITION OF MICHAEL ANDREOLA, pursuant to 22 Agreement, taken at the above place, date and time, 23 before Dawn Matera, a Registered Professional 24 Reporter and Notary Public within and for the 25 State of New York.</p>	<p>Page 3</p> <p>1 STIPULATIONS: 2 IT IS HEREBY STIPULATED AND AGREED, by 3 and between the respective parties hereto, that all 4 rights provided by the Civil Practice Law and Rules 5 3116 and 3117, including the right to object to any 6 question, except as to form, or to move to strike any 7 testimony of this examination are reserved, and, in 8 addition, the failure to object to any question, 9 shall not be a bar or waiver to make such motion at, 10 and is reserved for, the trial 11 IT IS FURTHER STIPULATED AND AGREED, 12 that this examination may be signed and sworn to by 13 the witness being examined before a Notary Public 14 other than the Notary Public before whom this 15 examination was begun, but the failure to do so, 16 or to return the original of this examination to 17 counsel, shall not be deemed a waiver of any rights 18 IT IS FURTHER STIPULATED AND AGREED, 19 that the filing of the original of this examination 20 is waived and that a copy of the transcript shall be 21 furnished to the attorney for the witness being 22 examined, without charge therefor. 23 24 25</p>
<p>Page 2</p> <p>1 APPEARANCES: 2 3 SUSMAN GODFREY LLP Attorneys for Plaintiffs 4 1000 Louisiana Street, Suite 5100 Houston, Texas 77002-5096 5 BY: HARRY P. SUSMAN, ESQ. 6 7 8 EDWARDS ANGELL PALMER & DODGE LLP Attorneys for BDO Seidman and the witness 9 750 Lexington Avenue New York, New York 10022 10 BY: IRA G. GREENBERG, ESQ. 11 12 13 DECHERT LLP Attorneys for J. Ezra Merkin and 14 Gabriel Capital Corp. 1095 Avenue of the Americas 15 New York, New York 10036-6797 BY: GARY J. MENNITT, ESQ. 16 17 18 19 20 21 ALSO PRESENT: 22 Harris Teran, Videographer 23 Merrill Legal Solutions 24 25</p>	<p>Page 4</p> <p>1 THE VIDEOGRAPHER: Good afternoon. 2 We are now on the record. 3 My name is Harris Teran, of Merrill 4 Legal Solutions Houston. Today is May 3rd, 5 2010. The time is currently 2:33 p.m. 6 We are at the offices of Susman 7 Godfrey, 654 Madison Avenue, New York City, 8 to take the videotaped deposition of 9 Mr. Michael Andreola, in the matters CRT 10 Investments Limited, et al. v J. Ezra 11 Merkin, et al., in the Supreme Court of the 12 State of New York for the County of New 13 York, Index Number 601052/09. 14 We are also here for the Caliber 15 Fund, LLC v BDO Seidman LLP in the Superior 16 Court, Judicial District of 17 Stamford/Norwalk at Stamford, Docket Number 18 X-05-FST-CV-09-5012119-S. 19 Will counsel present please identify 20 themselves for the record. 21 MR. SUSMAN: Harry Susman, Susman 22 Godfrey for the Plaintiffs. 23 MR. GREENBERG: Ira G. Greenberg, 24 Edwards Angell Palmer & Dodge LLP for 25 Defendant BDO Seidman LLP and for</p>

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<p>1 Mr. Andreola.</p> <p>2 MR. MENNITT: Gary Mennitt of</p> <p>3 Dechert LLP for Defendants J. Ezra Merkin</p> <p>4 and Gabriel Capital Corp.</p> <p>5 THE VIDEOGRAPHER: Our court</p> <p>6 reporter is Dawn Matera.</p> <p>7 Ms. Court Reporter, would you please</p> <p>8 swear in the witness.</p> <p>9</p> <p>10 MICHAEL ANDREOLA, herein, having been first duly</p> <p>11 sworn by a Notary Public within and for the</p> <p>12 State of New York, was examined and testified as</p> <p>13 follows:</p> <p>14</p> <p>15 EXAMINATION BY MR. SUSMAN:</p> <p>16 Q. Mr. Andreola, for whom do you work?</p> <p>17 A. BDO Seidman LLP.</p> <p>18 Q. How long have you worked for BDO</p> <p>19 Seidman?</p> <p>20 A. More than 25 years.</p> <p>21 Q. When did you first meet Ezra Merkin?</p> <p>22 A. A little bit over 20 years ago.</p> <p>23 Q. And how did you meet him?</p> <p>24 A. He was a client of the firm.</p> <p>25 Q. Okay. At the time, did he have</p>	<p>1 controlled that dealt with business other than</p> <p>2 family business?</p> <p>3 A. Yes.</p> <p>4 Q. When did that start?</p> <p>5 A. More than 15 years ago.</p> <p>6 Q. Did it begin with the formation of</p> <p>7 Gabriel Capital Corporation and its predecessor,</p> <p>8 I think it was called Ariel?</p> <p>9 A. Yes.</p> <p>10 Q. I gather you first met Mr. Merkin</p> <p>11 sometime around the late '80s/early '90s; is</p> <p>12 that right?</p> <p>13 A. Probably around mid-'80s.</p> <p>14 Q. Mid-'80s, okay. When did you first</p> <p>15 learn that Mr. Merkin had any relationship with</p> <p>16 Bernard Madoff, in any capacity?</p> <p>17 A. Mr. Merkin many years ago had a</p> <p>18 broker/dealer relationship with Mr. Madoff.</p> <p>19 Q. And by that you mean Mr. Merkin</p> <p>20 personally?</p> <p>21 A. His entity Ascot.</p> <p>22 Q. Okay. Prior to Ascot were you aware</p> <p>23 of any investment Mr. Merkin had with</p> <p>24 Mr. Madoff?</p> <p>25 A. No.</p>
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<p>1 Gabriel Capital Corporation in existence?</p> <p>2 A. No.</p> <p>3 Q. When you say "He was a client of the</p> <p>4 firm," was it him personally, or was it</p> <p>5 corporations that he ran or both?</p> <p>6 A. He was an individual client of a</p> <p>7 family group.</p> <p>8 Q. So in his personal capacity he was a</p> <p>9 client of the firm, at that point?</p> <p>10 A. Yes.</p> <p>11 Q. Him and his family; is that right?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. Had BDO Seidman done work for</p> <p>14 his father, Mr. Hermann Merkin?</p> <p>15 A. Yes.</p> <p>16 Q. Do you know how long BDO Seidman has</p> <p>17 had a relationship with the Merkin family?</p> <p>18 A. Has to be more than 50 years.</p> <p>19 Q. How old is BDO Seidman as a firm?</p> <p>20 A. We'll be 100 years old this year.</p> <p>21 Q. When you first started working for</p> <p>22 Mr. Merkin, was it doing tax work?</p> <p>23 A. Yes.</p> <p>24 Q. At some point, did you start working</p> <p>25 for Mr. Merkin's -- for entities that Mr. Merkin</p>	<p>1 Q. Okay. Since you -- over the past,</p> <p>2 say, 10 years, how many times would you talk</p> <p>3 with Mr. Merkin in an average month?</p> <p>4 A. I used to meet with Mr. Merkin maybe</p> <p>5 three or four times a year.</p> <p>6 Q. That would be in his office?</p> <p>7 A. In his office.</p> <p>8 Q. Okay. And would that be -- would</p> <p>9 the purpose of those meetings be to discuss just</p> <p>10 his personal business, or both personal and his</p> <p>11 entities that he ran, their business as well?</p> <p>12 A. It would be for tax planning</p> <p>13 primarily for him.</p> <p>14 Q. Okay. But in addition to doing work</p> <p>15 for Mr. Merkin, personally, you also did work</p> <p>16 for Ascot Partners, correct?</p> <p>17 A. We did tax work for Ascot Partners.</p> <p>18 Q. And you did tax work for Gabriel</p> <p>19 Capital LP, too?</p> <p>20 A. Yes.</p> <p>21 Q. Have you personally ever invested</p> <p>22 with Ezra Merkin in any capacity?</p> <p>23 A. No.</p> <p>24 Q. Over the years that you've known</p> <p>25 Mr. Merkin, did you ever meet with a man named</p>

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<p>1 Victor Teicher?</p> <p>2 A. Yes.</p> <p>3 Q. In what capacity did you meet him?</p> <p>4 A. Victor was a client of the firm.</p> <p>5 Q. A client of BDO's?</p> <p>6 A. Yes.</p> <p>7 Q. Is he still a client?</p> <p>8 A. We do tax work for Victor Teicher.</p> <p>9 Q. Do you personally do that work?</p> <p>10 A. Yes.</p> <p>11 Q. You continue to do that work?</p> <p>12 A. Yes.</p> <p>13 Q. Have you had any discussions with</p> <p>14 Mr. Teicher about Mr. Merkin's situation with</p> <p>15 Mr. Madoff?</p> <p>16 A. I just don't remember.</p> <p>17 Q. Do you have any discussions with</p> <p>18 Mr. Teicher ever about the subject of Bernard</p> <p>19 Madoff and Ezra Merkin?</p> <p>20 A. I just don't remember.</p> <p>21 Q. Okay. In the past year, since</p> <p>22 Mr. Madoff was arrested, you don't -- are you</p> <p>23 telling me that you have not had any</p> <p>24 conversations with Mr. Teicher about Mr. Merkin</p> <p>25 and Mr. Madoff, or simply you don't remember if</p>	<p>1 A. Hobby Farm is an investment vehicle</p> <p>2 of Mr. Merkin.</p> <p>3 Q. Who owns Hobby Farm?</p> <p>4 A. I just don't remember.</p> <p>5 Q. Does Ezra Merkin own Hobby Farm?</p> <p>6 A. Don't remember.</p> <p>7 Q. Does he control Hobby Farm?</p> <p>8 A. I just don't remember.</p> <p>9 Q. What about Piping Brook, do you work</p> <p>10 for that entity?</p> <p>11 A. We do tax work for Piping Brook.</p> <p>12 Q. What is Piping Brook?</p> <p>13 A. It's an investment vehicle of</p> <p>14 Mr. Merkin.</p> <p>15 Q. And who owns Piping Brook?</p> <p>16 A. I just don't remember.</p> <p>17 Q. And who controls Piping Brook?</p> <p>18 A. I just don't remember.</p> <p>19 Q. Do you do tax work for something</p> <p>20 called the J. Ezra Merkin 1992 Trust?</p> <p>21 A. I believe so.</p> <p>22 Q. Who is the trustee of that trust?</p> <p>23 A. I just don't remember.</p> <p>24 Q. Did you help create that trust?</p> <p>25 A. No.</p>
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<p>1 you had them?</p> <p>2 A. I don't remember having any</p> <p>3 conversations with Mr. Teicher regarding</p> <p>4 Mr. Merkin and Mr. Madoff.</p> <p>5 Q. Now, in addition to doing tax work</p> <p>6 for Mr. -- for the hedge funds, you did tax work</p> <p>7 for Mr. Merkin personally, right?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. How about for Gabriel Capital</p> <p>10 Corporation?</p> <p>11 A. Yes.</p> <p>12 Q. How about for Abelco?</p> <p>13 A. No.</p> <p>14 Q. Do you know who did the tax work for</p> <p>15 Abelco?</p> <p>16 A. No.</p> <p>17 Q. BDO audited Abelco, correct?</p> <p>18 A. No.</p> <p>19 Q. It did not, okay. Who audited</p> <p>20 Abelco?</p> <p>21 A. I just don't know.</p> <p>22 Q. Did you do tax work for something</p> <p>23 called Hobby Farm?</p> <p>24 A. Yes.</p> <p>25 Q. What is Hobby Farm?</p>	<p>1 Q. Do you know why it was created?</p> <p>2 A. I just don't remember.</p> <p>3 Q. Do you know who the beneficiaries</p> <p>4 are?</p> <p>5 A. I just don't remember.</p> <p>6 Q. Did you do work for the J. Ezra</p> <p>7 Merkin 2000 Trust?</p> <p>8 A. Yes.</p> <p>9 Q. Do you know who the trusty is of</p> <p>10 that trust?</p> <p>11 A. I just don't remember.</p> <p>12 Q. Do you know who the beneficiaries</p> <p>13 are?</p> <p>14 A. I just don't remember.</p> <p>15 Q. Did you help create that trust?</p> <p>16 A. No.</p> <p>17 Q. Do you know why it was created?</p> <p>18 A. No.</p> <p>19 Q. What is Gotham Asset Management; do</p> <p>20 you know?</p> <p>21 A. I just don't remember.</p> <p>22 Q. Does BDO do work for them?</p> <p>23 A. No.</p> <p>24 Q. What is Loan Cascade? You ever</p> <p>25 heard of that?</p>

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<p>1 A. No.</p> <p>2 Q. Oldstand Real Estate, you know what</p> <p>3 that is? Ever heard of it?</p> <p>4 A. I just don't remember.</p> <p>5 Q. Did BDO do work for them?</p> <p>6 A. No.</p> <p>7 Q. Sevin Rosen Fund, you know what that</p> <p>8 is?</p> <p>9 A. No.</p> <p>10 Q. How about Spring Mountain Capital,</p> <p>11 do you know what that is?</p> <p>12 A. I just don't remember.</p> <p>13 Q. Does BDO do work for them?</p> <p>14 A. I don't believe so.</p> <p>15 Q. What about STYX Associates, do you</p> <p>16 know what that is?</p> <p>17 A. No.</p> <p>18 Q. Have you ever met a man named David</p> <p>19 Sherman?</p> <p>20 A. Yes.</p> <p>21 Q. Do you do tax work for him?</p> <p>22 A. No.</p> <p>23 Q. How did you meet David Sherman?</p> <p>24 A. I met him up at Mr. Merkin's office.</p> <p>25 Q. What did you understand Mr. Sherman</p>	<p>1 A. Yes.</p> <p>2 Q. What other family members are you</p> <p>3 aware of that you do work for other than Sol</p> <p>4 Merkin?</p> <p>5 A. We do work for the rest of his</p> <p>6 brothers and sisters.</p> <p>7 Q. And is the reason -- did you -- did</p> <p>8 Mr. Merkin -- strike that.</p> <p>9 Did BDO essentially inherit the</p> <p>10 Merkin children from Hermann Merkin, their work?</p> <p>11 In other words, you do work for the father, and</p> <p>12 then all the children continued to keep BDO on?</p> <p>13 A. Yes.</p> <p>14 Q. When you broke your relationship</p> <p>15 with Mr. Merkin this year, did you also stop</p> <p>16 doing work for the rest of his brothers and</p> <p>17 sisters?</p> <p>18 A. No.</p> <p>19 Q. How about his wife or any of her</p> <p>20 trusts?</p> <p>21 A. We don't do any work for his wife or</p> <p>22 any of the trusts.</p> <p>23 Q. Do you do any work for any of</p> <p>24 Mr. Merkin's children or their trusts?</p> <p>25 A. I don't believe we do the children.</p>
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<p>1 did at Mr. Merkin's office?</p> <p>2 A. He ran some hedge funds.</p> <p>3 Q. When is the last time you talked to</p> <p>4 Mr. Merkin?</p> <p>5 A. About two months ago.</p> <p>6 Q. Okay. What did you talk to him</p> <p>7 about?</p> <p>8 A. Resigning from his tax engagement.</p> <p>9 Q. Did you resign or did he fire you?</p> <p>10 A. We resigned.</p> <p>11 Q. You resigned. And that was two</p> <p>12 months ago?</p> <p>13 A. Around two months ago.</p> <p>14 Q. And what caused that to happen?</p> <p>15 A. I was informed by legal that we</p> <p>16 couldn't do his work no more.</p> <p>17 Q. Does that include just Mr. Merkin or</p> <p>18 does it also include all of his family members?</p> <p>19 A. Could you please clarify the</p> <p>20 question?</p> <p>21 Q. Yeah. In addition to doing tax work</p> <p>22 for Mr. Merkin, did you do tax work -- or BDO,</p> <p>23 are you aware, do other tax work for other</p> <p>24 family members of Mr. Merkin, such as Sol</p> <p>25 Merkin?</p>	<p>1 I don't know about the trusts that are related</p> <p>2 to the family office.</p> <p>3 Q. In other words, there are some other</p> <p>4 trusts that Hermann Merkin established that</p> <p>5 you -- for whom the beneficiaries are his</p> <p>6 decedents, that you, BDO, continue to do work</p> <p>7 for?</p> <p>8 A. His grandchildren.</p> <p>9 Q. For Mr. Hermann Merkin's</p> <p>10 grandchildren?</p> <p>11 A. Right.</p> <p>12 Q. Okay. Did you have any</p> <p>13 conversations with Mr. Merkin's new accountant</p> <p>14 or have you had any?</p> <p>15 A. One conversation.</p> <p>16 Q. Okay. The new accountant's name is</p> <p>17 David Kahn?</p> <p>18 A. Yes.</p> <p>19 Q. When did you have your conversation</p> <p>20 with Mr. Kahn?</p> <p>21 A. A few weeks back.</p> <p>22 Q. And what was the nature of that</p> <p>23 discussion?</p> <p>24 A. Transition of the locators for the</p> <p>25 tax returns.</p>

1 Q. Did you have any discussions with
 2 Mr. Kahn about his investment with Mr. Merkin?
 3 A. No.
 4 Q. Do you recall an entity called 61
 5 Associates?
 6 A. No.
 7 Q. Do you know a man named David
 8 Zahner, Z-A-H-N-E-R?
 9 A. No.
 10 Q. How about Richard Scheuer,
 11 S-C-H-E-U-E-R?
 12 A. No.
 13 Q. Or Bill Ritzel, R-I-T-Z-E-L?
 14 A. No.
 15 Q. Let me just show you this real
 16 quick.
 17 (Plaintiffs' Exhibit 108, document,
 18 Bates stamped GCC-CA0000069 through 73, was
 19 marked for identification as of this date.)
 20 BY MR. SUSMAN:
 21 Q. This is Exhibit 108. The reason I
 22 am showing you this document is in the Comments
 23 someone has written "To Andreola" in the fax
 24 cover sheet. You see that?
 25 A. Yes.

1 Q. I am just wondering if you recall
 2 seeing this?
 3 A. No.
 4 Q. And you have no idea what 61
 5 Associates would be?
 6 A. I don't recall 61 Associates.
 7 Q. Does looking at this refresh your
 8 memory at all about 61 Associates, or a man
 9 named David Zahner or anything?
 10 A. No.
 11 Q. Okay. Did you -- while doing your
 12 work for Ascot, did you have any understanding
 13 as what Ascot did, as far as an investment
 14 strategy?
 15 A. They did trading through
 16 broker/dealers of buying and selling
 17 investments.
 18 Q. Do you know who made the trading
 19 decisions?
 20 A. No.
 21 Q. Did you know that -- up until
 22 Mr. Madoff confessed and there was a bunch of
 23 publicity, did you know that Mr. Merkin was
 24 giving all of Ascot's money to Bernard Madoff to
 25 manage?

1 A. No.
 2 Q. Did you ever recommend Ascot
 3 Partners as an investment to any of your clients
 4 or associates?
 5 A. No.
 6 Q. Do you know a man named Keith
 7 Rosenbloom?
 8 A. No.
 9 Q. Do you know a firm called
 10 Commonwealth Advisors?
 11 A. No.
 12 Q. Did you know what Gabriel Capital's
 13 investment strategy was?
 14 A. Buying and selling securities.
 15 Q. Okay. Did you know that Gabriel had
 16 a significant investment with Bernard Madoff?
 17 MR. GREENBERG: Objection to form.
 18 You can answer. You may go ahead and
 19 answer the question.
 20 A. No.
 21 Q. Did you ever recommend Gabriel
 22 Capital as an investment option to any of your
 23 clients or acquaintances?
 24 A. No.
 25 Q. Did you have other tax clients who

1 had direct accounts with Bernard Madoff,
 2 directed brokerage accounts where Mr. Madoff
 3 traded on their behalf?
 4 A. I don't recall.
 5 Q. You don't recall having any; is that
 6 right?
 7 A. I don't recall.
 8 Q. Since Madoff was arrested and
 9 everything has come to light, did you come to
 10 learn that you did have -- that there were
 11 clients of yours that were invested with Madoff
 12 and have had losses?
 13 A. I just don't recall.
 14 MR. SUSMAN: Let me take a quick
 15 break so I can get one thing. And we'll be
 16 very quick.
 17 THE VIDEOGRAPHER: Off the record,
 18 2:54 p.m.
 19 (Off the record.)
 20 THE VIDEOGRAPHER: Back on the
 21 record. The time is 3:02 p.m.
 22 BY MR. SUSMAN:
 23 Q. Let me show you Exhibit 109.
 24 (Plaintiffs' Exhibit 109, e-mail
 25 from Mike Autera to J. Ezra Merkin, Bates

1 stamped GCC-G0003087, was marked for
 2 identification as of this date.)
 3 Q. Drawing your attention, this is an
 4 e-mail from Mike Autera to J. Ezra Merkin.
 5 You know Mr. Autera, right?
 6 A. Yes.
 7 Q. It says "Ezra, This guy called me
 8 requesting information on our 'Madoff feeder
 9 product' at the suggestion of Mike Andreola."
 10 And then it talks about Keith Rosenbloom in this
 11 e-mail.
 12 Does this refresh your memory that
 13 you knew someone named Keith Rosenbloom?
 14 A. I don't know a Keith Rosenbloom.
 15 Q. So it must have been some
 16 misunderstanding here?
 17 MR. GREENBERG: Objection to the
 18 form. You can answer it.
 19 A. Probably.
 20 Q. If Mr. Merkin has testified that he
 21 thought you had recommended clients to invest in
 22 Ascot, he was mistaken about that, too?
 23 MR. GREENBERG: Objection to form.
 24 You can answer.
 25 A. I generally don't recommend clients.

1 Q. Okay. What I am asking you is in
 2 the case of Ascot, you did not do it?
 3 A. I did not do it.
 4 Q. You testified that you did not
 5 remember that -- you did not know that Ascot was
 6 invested in Bernard Madoff, right?
 7 MR. GREENBERG: Objection to form.
 8 You can answer.
 9 A. That Mr. Madoff was a broker/dealer
 10 in which Ascot executed transactions.
 11 Q. You, I believe, testified that prior
 12 to all this controversy coming out, did not
 13 realize that Mr. Merkin had given all of Ascot's
 14 assets to Mr. Madoff to invest; is that right?
 15 MR. MENNITT: Objection to the form.
 16 MR. GREENBERG: Note mine too. Go
 17 ahead, you can answer yes.
 18 Q. Prior to Mr. Madoff being arrested
 19 and stories coming out of Mr. Merkin having
 20 operating a feeder fund in effect to Madoff?
 21 MR. GREENBERG: Objection to the
 22 form.
 23 Q. Did you know that was going on?
 24 MR. GREENBERG: Objection to form.
 25 MR. MENNITT: Objection to form.

1 MR. GREENBERG: You can answer.
 2 A. Ascot wasn't a feeder fund.
 3 Q. Did you know that substantially all
 4 of Ascot's assets were entrusted to Bernard
 5 Madoff?
 6 MR. MENNITT: Objection to the form.
 7 A. I understood that Mr. Madoff was a
 8 broker/dealer executing transactions for
 9 Mr. Merkin.
 10 Q. Let me show you Exhibit 110.
 11 (Plaintiffs' Exhibit 110, e-mail
 12 chain, dated December 11th, 2008, Bates
 13 stamped BDO0033550 through 51, was marked
 14 for identification as of this date.)
 15 BY MR. SUSMAN:
 16 Q. This is a chain of e-mails from
 17 December 11th, 2008, which is the date that
 18 Mr. Madoff was arrested, right?
 19 (Witness reviews document.)
 20 MR. GREENBERG: Do the question
 21 again, please.
 22 Q. The question is: This is a series
 23 of e-mails from December 11th, which is when
 24 Mr. Madoff was arrested, right?
 25 A. Yes.

1 Q. Someone sent you an e-mail of a
 2 story from the Wall Street Journal of Mr. Madoff
 3 having been arrested?
 4 A. Yes.
 5 Q. And one of the first things you did
 6 upon seeing that news was to forward it to
 7 Mr. Castro, because you knew that Ascot had
 8 probably lost all of its money with Mr. Madoff,
 9 right?
 10 A. I forwarded it to Mr. Castro because
 11 I knew that Ascot used Bernard Madoff as a
 12 broker/dealer. I did not know the magnitude.
 13 Q. Okay. Do you recall you had a
 14 client named Khronos that had -- LLC, that had a
 15 direct account with Madoff?
 16 A. I just don't recall.
 17 MR. SUSMAN: Exhibit 111.
 18 (Plaintiffs' Exhibit 111, internal
 19 e-mail to BDO Seidman from January of 2009,
 20 Bates stamped BDO0035965 through 66, was
 21 marked for identification as of this date.)
 22 Q. This is an internal e-mail to BDO
 23 Seidman from January of 2009, right? And it
 24 talks about the fact that one of your clients,
 25 Khronos, invested with Mr. Madoff, right?

<p style="text-align: right;">Page 25</p> <p>1 MR. GREENBERG: Are you asking him 2 whether that's what this thing says? 3 MR. SUSMAN: Yes. 4 MR. GREENBERG: All right. Go 5 ahead. 6 Object to the form. You can answer 7 it. 8 A. That's what it says. 9 Q. Okay. Does this refresh your memory 10 that Khronos is one of your clients who had an 11 investment with Madoff? 12 A. I just don't, I just don't recall. 13 Q. Okay. You recall whether they had a 14 direct investment or if there was some other 15 kind of fund? 16 A. I just don't recall. 17 Q. Okay. Let me show you Exhibit 112. 18 (Plaintiffs' Exhibit 112, draft of a 19 letter by Mr. Andreola, dated January 2009, 20 Bates stamped BDO0031474 through 135, was 21 marked for identification as of this date.) 22 Q. Exhibit 112 is a draft of a letter 23 you were going to send out to a potential client 24 to try to get their business, right? 25 A. Yes.</p>	<p style="text-align: right;">Page 27</p> <p>1 identification as of this date.) 2 BY MR. SUSMAN: 3 Q. This is an e-mail from I. Greenberg 4 at North Winds Advisors to you, December 16th. 5 It says "Oops. That is Sol's brother, isn't it, 6 the one who gave so much money to Madoff?" 7 Do you know what this is a reference 8 to? 9 A. I don't recall. I don't recall this 10 e-mail. 11 Q. Do you recall -- who is 12 Mr. Greenberg? 13 A. An acquaintance of mine. 14 Q. Okay. Sol's brother is -- 15 Mr. Merkin's brother is named Sol, one of them? 16 A. Yes. 17 Q. And wasn't Mr. Greenberg -- did you 18 understand what he was saying to you is that he 19 knew, and he was saying isn't Sol's brother the 20 guy who gave all the money to Madoff? 21 A. I just don't recall. 22 Q. Okay. Did you ever have any direct 23 communications with anyone at Bernard Madoff 24 Investment Securities? 25 A. No.</p>
<p style="text-align: right;">Page 26</p> <p>1 Q. This is from January of 2009, so 2 it's about a month after Mr. Madoff's arrest, 3 right? 4 A. Yes. 5 Q. And the letter lists Select List of 6 New York Office Financial Services Clients, sort 7 of references, in other words, on Page 2? 8 A. Yes. 9 Q. And one of them is Gabriel Capital 10 LP, right? 11 A. Yes. 12 Q. And then you have written back to 13 Ms. Gershengoren that she should take out 14 Gabriel as a reference from both proposals. 15 Why did you tell her to do that? 16 A. I just don't recall. 17 MR. MENNITT: Harry, did you mean 18 for the last page to be on this, 33282? 19 MR. SUSMAN: No. I meant that to be 20 separate. 21 Q. Exhibit 113. 22 (Plaintiffs' Exhibit 113, e-mail 23 from I. Greenberg at North Winds Advisors 24 to Mr. Andreola, dated December 16th, Bates 25 stamped BDO0033282, was marked for</p>	<p style="text-align: right;">Page 28</p> <p>1 Q. While doing any tax work for 2 Mr. Merkin, or Ascot or Gabriel, you never had 3 any cause to communicate with Madoff Investment 4 Securities? 5 A. No. 6 Q. How about on behalf of any other 7 clients, did you ever have any cause to 8 communicate with him? 9 A. No. 10 Q. In doing the tax work for Gabriel 11 Capital Corporation, you would have to see its 12 revenue and its expenses every year; is that 13 right? 14 A. Yes. 15 Q. If I could, I am going to show you 16 Exhibit 107, which was previously marked. 17 (Plaintiffs' Exhibit 107, work paper 18 for the Gabriel audit for 2007, Bates 19 stamped BDO0005212 through 5215, was 20 previously marked and shown to the 21 witness.) 22 Q. If you could, in Exhibit 107, for 23 what it's worth, do you know what PBC stands 24 for? 25 A. Prepared by client.</p>

Andreola, Michael (5/3/10)

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<p>1 Q. Okay. And if you turn to Page 3 of 2 this document, which is BDO 5214, do you recall 3 seeing a profit and loss statement like this 4 from Gabriel Capital Corporation for 2007? 5 A. I just don't recall. 6 Q. Do you recall whether Gabriel 7 Capital Corporation would allocate all of its 8 overhead out to the four of the funds that it 9 managed, in particular, Gabriel, Ariel, 10 Millennium and Amber? 11 A. I just don't recall. 12 Q. Does reviewing this document refresh 13 your memory that that's what Gabriel did? 14 A. No. 15 Q. This document shows that in 16 connection, that for Ascot -- on the income 17 line, the largest income item by far is the 18 Ascot management fee in 2007; correct? 19 A. Yes. 20 Q. Okay. Is that consistent with your 21 recollection that typically the largest single 22 contributor to income for Gabriel Capital would 23 be the management fee for Ascot Partners? 24 A. I just don't recall. 25 Q. Do you recall whether there was any</p>	<p>1 A. Yes. 2 Q. Other than tax work and the audit 3 work that was done for funds controlled by 4 Mr. Merkin, did BDO, to your knowledge, provide 5 other services to the Merkin family? 6 A. I just don't recall. 7 Q. Do you know if any sort of 8 consulting services were provided or any estate 9 planning services were provided? 10 A. I just don't recall. 11 Q. Does BDO provide estate planning 12 services to wealthy clients? 13 A. Sometimes. 14 Q. Advice about creating charitable 15 trusts, family limited partnerships, those sorts 16 of things? 17 A. Sometimes. 18 Q. And were you ever involved in any of 19 those sorts of discussions with Mr. Merkin or 20 any of his family members? 21 A. I just don't recall. 22 Q. Prior to Mr. Madoff's arrests, were 23 you aware that he was managing money for people, 24 in addition to just functioning as a 25 broker/dealer?</p>
Page 30	Page 32
<p>1 expenses ever incurred in connection with 2 earning that fee? 3 A. I just don't recall. 4 Q. When it says here "Compensation 5 owner," as an expense item for Gabriel Capital 6 Corporation, a payment of 39 million dollars, 7 that would be a payment to, personally to 8 Mr. Merkin, correct? 9 A. I just don't recall. 10 Q. Well, who is the owner of Gabriel 11 Capital Corporation? 12 A. Mr. Merkin. 13 Q. So who could that payment have been 14 to, other than Mr. Merkin? 15 A. It should have been to Mr. Merkin, 16 if this is correct. 17 Q. Okay. Do you know, just ballpark 18 now, how much in fees BDO Seidman received 19 annually from the Merkin family and all the 20 entities that Mr. Merkin controlled? 21 A. Only tax fees. 22 Q. Okay. How much in tax fees? 23 A. Approximately, 100,000. 24 Q. 100,000 a year for doing the taxes 25 for the Merkins?</p>	<p>1 A. No. 2 Q. Have you given testimony in 3 connection with this Madoff/Merkin mess, other 4 than what you have done today? 5 A. No. 6 Q. And have you talked to anyone -- 7 strike that. 8 Since Mr. Madoff was arrested, how 9 many conversations have you had with Mr. Merkin? 10 A. Probably two. 11 Q. You told me about one where you 12 discussed your resigning. 13 What was the other discussion about? 14 A. Just called up to say hello. 15 Q. In what capacity did you call up to 16 say hello to him? 17 A. Just to call up to say hello to see 18 how he was doing. And that was it. It was a 19 short conversation. 20 Q. Over the years, have you socialized 21 with Mr. Merkin? 22 A. No. 23 Q. Ever been to dinner with him? 24 A. Probably one dinner. 25 MR. SUSMAN: Well, I think that is</p>

1 it, all of my questions. I pass the
2 witness.

3 MR. MENNITT: We have no questions,
4 at this time.

5 MR. GREENBERG: Nor do we, either.
6 Thank you very much, Mr. Andreola.

7 THE VIDEOGRAPHER: This concludes
8 today's videotaped deposition. The time is
9 currently 3:21 p.m.

10 This is going to be the end of tape
11 1 of 1. We are now off the record.
12 (Off the record.)
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1 STATE OF NEW YORK)

2) SS:

3 COUNTY OF NEW YORK)

4 I, MICHAEL ANDREOLA, herein, do hereby

5 certify that having been first duly sworn to testify

6 to the truth, the whole truth, and nothing but the

7 truth, gave the above deposition, which was recorded

8 stenographically and reduced to this original

9 transcript.

10 I FURTHER CERTIFY that the foregoing

11 transcript of the said deposition is a true and

12 correct transcript of the testimony given by me at

13 the time and place specified hereinbefore.

14 I FURTHER CERTIFY that any corrections or

15 changes to this testimony have been made by me on the

16 page provided for that purpose captioned "Witness's

17 Correction Sheet," which has also been signed by me

18 before a Notary Public.
19

20 MICHAEL ANDREOLA

21 Subscribed and sworn to before me this

22 _____ day of _____, 2010.

23 _____, Notary Public.
24
25

1 WITNESS'S CORRECTION SHEET

2 PAGE \ LINE \ CORRECTION

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20 MICHAEL ANDREOLA

21 Subscribed and sworn to before me

22 this _____ day of _____, 2010

23 _____, Notary Public.
24
25

1 INDEX

PG LN

2 WITNESS: MICHAEL ANDREOLA

3 EXAMINATION BY MR. SUSMAN.....5 15

4 EXHIBITS MARKED:

5 Plaintiffs' Exhibit 108, document, Bates stamped
6 GCC-CA0000069 through 73.....17 17

6 Plaintiffs' Exhibit 109, e-mail from Mike Autera to

7 J. Ezra Merkin, Bates stamped GCC-G0003087.20 24

8 Plaintiffs' Exhibit 110, e-mail chain,

9 dated December 11th, 2008, Bates stamped

10 BDO0033550 through 51.....23 11

11 Plaintiffs' Exhibit 111, internal e-mail

12 to BDO Seidman from January of 2009, Bates

13 stamped BDO0035985 through 66.....24 18

14 Plaintiffs' Exhibit 112, draft of a letter

15 by Mr. Andreola, dated January 2009, Bates

16 stamped BDO0031474 through 135.....25 18

17 Plaintiffs' Exhibit 113, e-mail from

18 I. Greenberg at North Winds Advisors to

19 Mr. Andreola, dated December 16th, Bates

20 stamped BDO0033282.....26 22
21
22
23
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25

PREVIOUSLY MARKED EXHIBITS SHOWN TO THE WITNESS:

21 Plaintiffs' Exhibit 107, work paper for the

22 Gabriel audit for 2007, Bates stamped

23 BDO0005212 through 5215.....28 17
24
25

CERTIFICATE

I, DAWN MATERA, a Registered Professional
Reporter and Notary Public within and for the State
of New York, do hereby certify:

That MICHAEL ANDREOLA, the witness whose
deposition is hereinbefore set forth, was duly sworn
by me and that the within transcript is a true record
of the testimony given by such witness.

I further certify that I am not related to
any of the parties to this action by blood or
marriage and that I am in no way interested in the
outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this _____ day of _____, 2010.

Dawn Matera, RPR